



ROADSTAR INFRA INVESTMENT TRUST

Policy on Borrowing

POLICY ON BORROWING

- A. Preamble:** The trust deed dated October 6, 2020 (“**Trust Deed**”) in relation to the Roadstar Infra Investment Trust (“**Trust**”) empowers the Trust (acting through the trustee), in consultation with the investment manager, to borrow or incur indebtedness including by way of issuance of debt securities or other securities or other instruments permitted under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, including any guidelines, circulars, notifications and clarifications notified thereunder (“**InvIT Regulations**”) or other applicable law, for the purpose of the Trust in accordance with the Trust Documents (as defined under the Trust Deed) and the InvIT Regulations. Further, pursuant to the investment management agreement dated October 23, 2020, as amended (“**Investment Management Agreement**”), the trustee (“**Trustee**”) has empowered Roadstar Investment Managers Limited (“**Investment Manager**”) to borrow or incur indebtedness including by way of issuance of debt securities or other securities or other instruments permitted under the InvIT Regulations or other applicable law.
- B.** The Investment Manager shall ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations. The InvIT Regulations presently provide for the following:

“Borrowings and deferred payments

20. (1) An InvIT, whose units are listed on a recognized stock exchange, may issue debt securities in the manner specified by the Board:

Provided that such debt securities shall be listed on recognized stock exchange(s).

(2) The aggregate consolidated borrowings and deferred payments of the InvIT, holdco and the SPVs, net of cash and cash equivalents shall not exceed seventy per cent. of the value of the InvIT assets.

Explanation 1. – Investment by InvITs in overnight mutual funds, characterized by their investments in overnight securities, having maturity of one day, shall be considered as cash and cash equivalent.

Explanation 2. – The amount of cash and cash equivalent shall be excluded from the value of the assets of the InvIT.”

(3) If the aggregate consolidated borrowings and deferred payments of the InvIT, holdco and the SPVs, net of cash and cash equivalents exceed twenty five per cent. of the value of the InvIT assets, for any further borrowing,–

(a) Upto forty-nine percent, an InvIT shall -

- (i) Obtain credit rating from a credit rating agency registered with the Board; and*
- (ii) Seek approval of unit holders in the manner as specified in regulation 22.*

(b) above forty-nine percent, an InvIT shall -

- (i) obtain credit rating of “AAA” or equivalent for its consolidated borrowing and the proposed borrowing, from a credit rating agency registered with the Board;*
- (ii) utilize the funds only for acquisitions or development of infrastructure projects;*
- (iii) have a track record of atleast six distributions, in terms of sub-regulation (6) of regulation 18, on a continuous basis, post listing, in the years preceding the financial year in which the enhanced borrowing are proposed to be made;*

(iv) obtain approval of unitholders in the manner specified in sub-regulation (5A) of regulation 22.

(4) If the conditions specified in sub-regulations (1) and (2) are breached on account of market movements of the price of the underlying assets or securities, the investment manager shall inform the same to the trustee and ensure that the conditions are satisfied within six months of such breach.”

- C. For the purposes of calculating the percentage of aggregate consolidated borrowings and deferred payments of the Trust, holdco and SPV, net of cash and cash equivalents, vis-à-vis the value of the InvIT assets, the formula prescribed under **Annex A** hereto shall be applied.
- D. The Investment Manager shall ensure that if the value of funds borrowed from related parties in a financial year, exceeds five percent of the total consolidated borrowings of the Trust and the special purpose vehicles, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22.
- E. The Trust may raise debt and avail borrowings and deferred payments from time to time, including through (i) issuance of debt securities, in the manner specified by the Securities and Exchange Board of India (“SEBI”), and (ii) availing loans from banks and financial institutions, in accordance with applicable law (including the InvIT Regulations). The Trust shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the Reserve Bank of India.
- F. The Trust acting through the Trustee shall, in consultation with the Investment Manager, have the power to secure the payment of any sum of money for and on behalf of the Trust in such manner and upon such terms and conditions in all respects as it deems fit including by mortgage or pledge or charge upon all or any Trust Assets (as defined in the Trust Deed), present or future. Any such obligation will not allow the Investment Manager to make the liabilities of the Trust or its Unitholders unlimited.
- G. The Trust shall be permitted to borrow monies, subject to the approval of the board of directors of the Investment Manager and/or such other committee of the board of directors of the Investment Manager as may be constituted in this regard. The Investment Manager may engage such intermediaries as may be necessary to facilitate the borrowings in relation to the Trust, holding companies or SPVs at such remuneration as may be reasonable and at arm’s length.
- H. In addition to the above, any borrowing by a special purpose vehicle, which is incorporated under the Companies Act, 1956 or the Companies Act, 2013, will be in accordance with applicable law, including without limitation, the Companies Act, 2013, read together with the rules notified thereunder.
- I. Disclosures and Reporting**
 - i. The Investment Manager shall disclose to the designated stock exchange(s) any additional borrowing availed by the Trust, as per the requirements prescribed under the InvIT Regulations and any other applicable law.
 - ii. Details of changes during the year pertaining to borrowings or repayment of borrowings (standalone and consolidated) shall be disclosed in the annual report of the Trust as per the requirements prescribed under the InvIT Regulations and any other applicable law.
 - iii. Details of outstanding borrowings and deferred payments of the Trust, including any credit rating(s), debt maturity profile, gearing ratios of the Trust on a consolidated and standalone basis, shall be disclosed in the annual report of the Trust as per the requirements prescribed under the InvIT Regulations and any other applicable law.

- J.** Any amendment/variation of this policy shall require the prior approval of the board of directors of the Investment Manager.
- K.** Notwithstanding the above, this policy will stand amended to the extent of any change in applicable law, including any amendment to the InvIT Regulations, without the requirement of any further action from the Investment Manager or the Unitholders of the Trust.
- L.** In this Policy, unless the context otherwise requires, capitalised terms used but not defined shall have the respective meanings assigned to such terms in the InvIT Regulations.

ANNEX A

Formula for Calculation of Percentage of Aggregate Consolidated Borrowings and Deferred Payments of the Trust, holdco and SPV, net of cash and cash equivalents, vis-à-vis the value of the InvIT assets

[Note to Draft: To be filled in by the RIIT Team]

Rs Mn			
Sr No	Particulars	As at March 31, _____	Remarks
	Total borrowings and deferred payments:		
1	Long term borrowings		Actual amount of outstanding against term loan and debenture as at 31st March _____
2	Current maturities of long term borrowings		
3	Interest accrued but not due		
4	Deferred payment to NHAI (non-current and current)		Amount measured and recorded as per IND-AS as at 31st March _____
	Total borrowings and deferred payments:		
5	Less Cash and Cash equivalents		
6	Net borrowings and deferred payments (A)		
9	Total Assets:		
10	Total assets		Fair value of total assets of the Trust as at 31st March _____ to be considered and will be extracted from the audited financial statements of the Trust and which will be based on the fair valuation report of the independent valuer appointed under SEBI regulations
11	Total (B)		
	Borrowings and deferred payments as a percentage of total assets (A)/(B)	%	
Date Adopted		January 25, 2024	
Date Last Updated		-	